

RIO International Investments Limited is an open-ended investment company incorporated in the British Virgin Islands in May 2002, (Registration Number 496547) as a company with limited liability under the provisions of the British Virgin Islands International Business Companies Act (CAD 291).

The RIO Regular Investment Account USD is a unique and private investment opportunity for members only. The account trades stocks which are listed on the US market, focusing on equities on the New York Stock Exchange.

The minimum investment level is set at \$50,000.00.

The investment trades on a private investment platform. Equities can, and may, represent up to 80% of the account's asset class, with any remaining balance being held in cash. The stocks selected have been identified through rigorous research and analysis and have the potential for growth.

Due to the nature of the stocks selected, the account is designed for those members who accept a degree of risk. The account does not invest in equities which are listed on emerging markets, but instead focuses on well established, stable markets in the developed world. All stocks that are traded are very liquid. The account may also investment in alternative investments through vehicles such as private mutual funds as and when the opportunity arises.

It should be noted that the RIO Regular Investment Account USD is not available or promoted to members of the general public.

1.2 Issue of Shares

When shares are issued, the shareholder will be entered in the register of members and a share certificate will be issued and sent to the shareholder. For the avoidance of doubt, shares shall not be issued until the subscription monies have been received in terms of the payment instructions set out in the attached application form.

2. Net Asset Value Calculation

The net asset value per Participating Share shall be calculated as of the last business day of each month in the British Virgin Islands ("the Valuation Date"). The net asset value per Participating Share shall be expressed in US Dollar as a per share figure and shall be determined in respect of each valuation date by determining the net asset value of the Account attributable to the Participating Shares, being the value of the assets of the Account attributable to such class of shares less the liabilities attributable to such class and



Real Investment Opportunities **Regular Investment Account USD** *Terms and Conditions*

dividing the net asset value of the Account by the number of Participating Shares outstanding as at the relevant valuation date and shall be rounded up or down to the nearest whole US Dollar cent.

3. Redemption of Shares

Participating Shares will be redeemed on the basis of the net asset value per Participating Share calculated on the relevant Valuation Date (see "Net Asset Value Calculation"). The Redemption Price for shares being redeemed shall be their aggregate Net Asset Value per share as calculated at the close of business on the Valuation Day on which such shares are redeemed provided that the Company shall have the right to impose a fee:

- (a) of 8% in respect of shares redeemed within 12 months of their issue;
- (b) of 4% of the Redemption Price in respect of shares redeemed after 12 months but within 24 months of their issue; and
- (c) of 2% of the Redemption Price in respect of shares redeemed after 24 months but within 36 months of their issue.

In respect of shares redeemed after 36 months of their issue, no fee shall be imposed. The directors may waive or reduce such fee in relation to any such shares and in any such circumstances as they may from time to time determine. The Redemption Price shall be paid within 45 days after the Valuation Day on which such shares are redeemed. Requests for redemption on a Valuation Day will be honoured only if they are received by the Company at least 45 days prior to such Valuation Day and if all conditions as to the validity of the redemption request have been fulfilled or waived prior to the Valuation Day. Any shares that are redeemed will be cancelled by the Account.

3.1 Procedure

A shareholder may only effect redemption of Participating Shares by forwarding to the Administrator a redemption application, which must be received by the Administrator at least 45 calendar days prior to the Valuation Date on which the application is to be effected. The redemption application must indicate the number of Participating Shares to be redeemed as well as all useful references to facilitate settlement of the redemption such as the name in which the shares to be redeemed are registered and details of the

person to whom payment is to be made.

Except in extraordinary circumstances such as, for example, an inability to liquidate existing investments, or the default or delay in payments due to the Company from brokers, banks or other persons, payment of redemptions will be made within a reasonable time and normally within forty five calendar days following the Valuation Date, provided the Administrator has received all the documents required for redemption.

3.2 Compulsory Redemption

Participating Shares may be compulsorily redeemed if in the opinion of the Directors, the subscription for, or holding of, the Participating Shares is, or was, or may be unlawful or detrimental to the interest or well being of the Account, or is in breach of any law or regulation of a relevant country.

In the event that the net assets of the Account fall below \$1,000,000 the Directors may decide to compulsorily redeem all the remaining Participating Shares of the Account. Such redemption will be made at the net asset value per Participating Share applicable on the day on which all the Accounts assets have been realised.

4. Charges - No performance, no fee.

A Performance Fee of 15% of the NAV increase per month will be levied. This is included in the published share price (which is net of the associated charge).

5. Transfer of Shares

Participating Shares may only be transferred with prior written consent of the directors or the Administrator. Where permitted, the transfer of Participating Shares may normally be affected by the delivery to the Administrator of an instrument of transfer in appropriate form.

Shareholders are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

6. Investment Considerations

The value of the Participating Shares may fall as well as rise. There is no guarantee that the Account will meet its objectives. Investment in the Account is only suitable for investors who can afford the risks involved.